Cost Recovery Implementation Statement

Annual Carrier Licence Charge for the charging period 1 July 2014 to
30 June 2015

MAY 2015

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# 1. Introduction

## 1.1 Purpose of the Cost Recovery Implementation Statement

This Cost Recovery Implementation Statement (CRIS) provides information on how the Australian Communications and Media Authority (the ACMA) implements cost recovery for relevant activities funded via the Annual Carrier Licence Charge (ACLC).

A summary of the cost recovery model used by the ACMA and other participating organisations is included in this statement. It also reports financial performance for these activities and contains financial forecasts for this year and three forward years. The ACMA will maintain the CRIS until the activities or cost recovery for the activities have been discontinued.

The ACLC amounts payable by carrier licensees for the period 1 July 2014 to 30 June 2015 are set out in Attachment A.

## 1.2 Background and description of activity

The ACMA is a statutory authority within the Communications portfolio of the Commonwealth Government. It is responsible for administering the telecommunications regulatory regime which is established through the *Australian Communications and Media Authority Act 2005*, the *Telecommunications Act 1997* and the *Telecommunications Universal Service Management Agency Act 2012* (the TUSMA Act).

The purpose of the ACLC is to fund activities of the ACMA, the Australian Competition and Consumer Commission (the ACCC) and the Department of Communications (DoC) in regulating telecommunications services provided by licensed carriers to ensure that those who receive the government activities meet the cost of those activities.

The costs of the ACMA’s other regulatory activities, such as those related to radiocommunications, internet content and broadcasting services, are not included in the ACLC. Further information about the full range of the ACMA’s activities can be found at [www.acma.gov.au](http://www.acma.gov.au).

The ACLC for the 2014–15 financial year is allocated to licensed telecommunications carriers based on their eligible revenue within the meaning of the TUSMA Act for the 2013–14 financial year, as assessed by the ACMA. Carriers that were ‘non-participating persons’ within the meaning of the Telecommunications (Participating Persons) Determination 2013 (No. 2) for the eligible revenue period that began on 1 July 2013 and ended 30 June 2014 are, in effect, exempted from paying the ACLC.

Generally, non-participating persons are carriers with initial sales revenue, gross telecommunications sales revenue or eligible revenue of less than $25 million for the eligible period (that is, smaller carriers) who lodge the required statutory declaration with the ACMA within the specified time frame[[1]](#footnote-1). Any carrier, who holds a licence on 1 July 2014 and is not a non-participating person, is required to pay the ACLC for the 2014–15 financial year, irrespective of whether they have surrendered or cancelled their licence subsequent to this date, and will be held liable for payment of the charge when it is due.

The DoC conducted a portfolio charging review in the early part of 2015, which affirmed that activities funded via the ACLC will remain subject to the Australian Government Cost Recovery Guidelines.

## 1.3 Stakeholders

The key stakeholders are telecommunications carriers, telecommunications carriage service providers, over-the-top service providers (for example, Google), telecommunications industry bodies (for example, Consumer Alliance) and telecommunications consumer bodies (for example, Australian Communications Consumer Action Network).

# 2. Policy and statutory authority to cost recover

## 2.1 Government policy approval to cost recover

In 2014–15, as part of the portfolio charging review, the government agreed to the continuing appropriateness of cost recovery for the activities funded via the ACLC.

Over the past years, there have been a number of government decisions in relation to the activities funded through the ACLC revenue.

Explanatory Memorandum for the Telecommunications (Carrier Licence Charges) Bill 1996

The regulatory framework for the telecommunications industry was implemented through the introduction of a package of Bills, including the Telecommunications (Carrier Licence Charges) Bill 1996 to impose a fee on applications for carrier licences and an annual charge on carrier licences.

The Explanatory Memorandum for the Telecommunications (Carrier Licence Charges) Bill 1996, circulated by authority of the then Minister for Communications and the Arts, refers to the total amount of the charge on carriers. The amounts attributable to the Australian Communications Authority (ACMA’s predecessor agency) and the ACCC’s telecommunications functions and powers relate to the immediately preceding financial year and the proportion of the Commonwealth’s contribution to the budget of the International Telecommunication Union (ITU) relates to the calendar year.[[2]](#footnote-2)

Explanatory Memorandum for the Telecommunications (Carrier Licence Charges) Amendment (Industry Plans and Consumer Codes) Bill 2005

The Explanatory Memorandum for the Telecommunications (Carrier Licence Charges) Amendment (Industry Plans and Consumer Codes) Bill 2005, circulated by authority of the then Minister for Communications, Information Technology and the Arts, articulated the government’s intention to allow the total amount of annual charges that are imposed on carrier licences to include an additional amount, which would provide for industry bodies and associations that develop consumer-related industry codes to be reimbursed by the ACMA for their costs in developing those codes. The Explanatory Memorandum further referred to the amount of additional revenue raised in a financial year being directly referrable to the total amount of costs reimbursed to industry bodies and associations by the ACMA during the previous financial year.[[3]](#footnote-3)

2009–10 Budget

In the 2009–10 Budget[[4]](#footnote-4), the government provided $7.5 million over four years (and ongoing for forward years) to the then Department of Broadband, Communications and the Digital Economy (DBCDE) to support the activities of the Australian Communications Consumer Action Network (ACCAN). ACCAN represents consumer interests in telecommunications, disseminates information to consumers through the internet and publications, engages and trains volunteer consumer advocates, coordinates responses to government initiated processes, and conducts conferences and workshops. The costs of this measure were to be included in the ACLC collected by the ACMA under the *Telecommunications (Carrier Licence Charges) Act 1997* (the Act).

2009–10 Mid-Year Economic and Fiscal Outlook

In the 2009–10 Mid-Year Economic and Fiscal Outlook*[[5]](#footnote-5)*, the government provided $3.4 million over two years (terminating in 2011–12) to the ACCC to implement reforms to telecommunications competition regulation, and $1.2 million a year ongoing to the ACMA to manage the legislated consumer safeguards regime. The costs of this measure were to be included in the ACLC collected by the ACMA under the Act.

The measure underpinned the government’s reforms to existing telecommunications regulation to:

* address the high level of industry concentration to promote greater competition and consumer benefits
* streamline and simplify the competition regime to provide more certain and faster outcomes for telecommunications companies
* strengthen consumer safeguards to ensure service standards are maintained at a high level

remove redundant and inefficient regulatory red tape.

2010–11 Budget

As part of the 2010–11 Budget*[[6]](#footnote-6)*, the government provided $24 million over five years (and ongoing for forward years) to the ACCC to establish and deliver the proposed regulatory arrangements for the National Broadband Network (NBN), including:

* implementing specific access arrangements for the NBN, as well as initial preparatory work and industry consultation
* undertaking regulatory reporting requirements

providing advice on pricing and quality of service.

The costs of this measure were to be included in the ACLC collected by the ACMA under the Act.

2011–12 Budget

As part of the 2011–12 Budget*[[7]](#footnote-7)*, the government provided $12.8 million over four years to the ACMA ($7.2 million—terminating in 2015–16) and the ACCC ($5.6 million and ongoing for forward years) to establish and deliver the regulatory arrangements for the NBN set out in NBN Co Limited’s (NBN Co) Statement of Expectations. The ACMA received this funding to develop and monitor the implementation of appropriate network standards and codes, including implementing compliance, auditing and monitoring program. The funding to the ACCC is essentially for:

* competition analysis and monitoring
* regularly monitoring the level of transmission services provided by other wholesale providers to NBN Co points of interconnect

setting appropriate benchmarks for transmission services to facilitate retail service providers' access to uniform national wholesale prices.

The costs of this measure were to be included in the ACLC collected by the ACMA under the Act.

2013–14 Budget

In the 2013–14 Budget[[8]](#footnote-8), the government provided $1.3 million over four years (and ongoing for forward years) to the ACCC to investigate wholesale and retail mobile roaming charges between Australia and New Zealand. The ACCC will publish an annual roaming pricing report to increase transparency of price and margins for trans-Tasman roaming.

The costs of this measure were to be included in the ACLC collected by the ACMA under the Act.

2014-15 Budget

In the 2014‑15 Budget[[9]](#footnote-9), the government paused indexation applying to the Consumer Representation Grants Program of the Department of Communications for three years from 1 July 2014.

The reduced costs of the Consumer Representation Grants Program will be reflected in the ACLC collected by the ACMA under the Act.

## 2.2 Statutory authority to impose cost recovery charges

Section 12 of the Act imposes an annual charge on carrier licences that are in force at the beginning of a financial year (that is, 1 July 2014 for the purposes of this CRIS).

Subsection 14(1) of the Act specifies that the amount of the charge to be imposed on a carrier licence is the amount ascertained in accordance with a written determination made by the ACMA.

On 26 June 2013, the then Minister for Broadband, Communications and the Digital Economy issued the Australian Communications and Media Authority (Annual Carrier Licence Charge) Direction 2013 (the Direction 2013).[[10]](#footnote-10) The Direction 2013 requires the ACMA to make such determinations as are necessary under subsection 14(1) of the Act to have the effect of imposing an annual carrier licence charge of $0 on a carrier licence that is:

* in force at the beginning of a relevant financial year

held by a carrier that was a ‘non-participating person’ within the meaning of the Telecommunications (Participating Persons) Determination 2013 (No. 2) for the eligible revenue period immediately preceding that financial year.[[11]](#footnote-11)

Accordingly, under the Telecommunications (Annual Carrier Licence Charge) Determination 2015, carriers who were non-participating persons for the eligible revenue period immediately preceding the relevant financial year are, in effect, exempted from the liability to pay the ACLC.

Subsection 15(1) of the Act requires that the total of the charges that are imposed on carrier licences in force at the beginning of a financial year must not exceed the sum of the cost components identified in paragraphs 15(1)(a) to 15(1)(d) of the Act (see Table 1). Further information on these cost components is provided in section 3.1 (below).

1. Structural components of the ACLC

| **Reference in the Act** | **Cost component** |
| --- | --- |
| 15(1)(a) | the ACMA’s cost component |
| 15(1)(b) | the ACCC’s cost component |
| 15(1)(c) | ITU contribution |
| 15(1)(ca) | Development of consumer protection related industry codes |
| 15(1)(d) | Government grants—consumer representation and research |

In accordance with section 14(1) of the Act, the ACMA makes a determination which set out the ACLC imposed on liable individual carrier licences and the method of ascertaining the amount of the charge. In accordance with subsection 15(1) of the Act, the ACMA makes a separate determination specifying the amounts under paragraphs 15(1)(a), 15(1)(b) and 15(1)(ca) of the Act.

Similarly, the ACCC and the Minister for Communications make determinations in relation to the costs described in paragraphs 15(1)(b) and 15(1)(d) of the Act, respectively (see Table 2). All determinations are registered on the Federal Register of Legislative Instruments by the respective entities before the invoices are forwarded by the ACMA to the licensed carriers.

1. List of legislative instruments for imposition of the ACLC for the 2014–15 financial year

|  |  |  |
| --- | --- | --- |
| **No.** | **Determination** | **Made under** |
| 1 | Telecommunications (Annual Carrier Licence Charge) Determination 2015*(made by the ACMA)* | Section 14 of the Act |
| 2 | Telecommunications (Specification of Costs by ACMA) Determination 2015*(made by the ACMA)* | Paragraphs 15(1)(a), (c) and (ca) of the Act |
| 3 | Determination Under Paragraph 15(1)(b) No. 1 of 2015*(made by the ACCC)* | Paragraph 15(1)(b) of the Act  |
| 4 | Determination Under Paragraph 15(1)(d) No. 1 of 2015*(made by the Minister for Communications)* | Paragraph 15(1)(d) of the Act |

# 3. Cost recovery model

There are five distinct cost recovered activities (cost components) that are included in the total amount of the ACLC and levied on the carrier licences on an annual basis.

## 3.1 Determination of cost component under paragraph 15(1)(a) of the Act—the ACMA’s activity

### 3.1.1 Outputs and business processes of the activity

This component represents the ACMA’s costs incurred during the financial year 2013–14 in exercising its telecommunications functions set out in section 8 of the ACMA Act and the ACMA’s telecommunications powers as defined in section 7 of the *Telecommunications Act 1997*. This section, in essence, requires a communication environment that balances the needs of the industry and the Australian community through regulation, education and advice.

As a regulator of the telecommunications industry, the ACMA exercises powers conferred by the following Acts:

* the *Telecommunications Act 1997*
* the *Telecommunications (Consumer Protection and Service Standards) Act 1999*
* Part 6 of the *Telecommunications Universal Service Management Agency Act 2012*
* Chapter 4 or 5 of the *Telecommunications (Interception and Access) Act 1979*
* Part XIC of the *Competition and Consumer Act 2010*

section 12 of the *Australian Communications and Media Authority Act 2005*

The outputs in relation to this activity are summarised as follows:

Regulation development

This includes regulatory development under the existing legislative framework including, the promotion of self and co-regulation and competition in the telecommunications industry (for example, the facilitation of the development of self-regulatory industry codes), the development and variation of telecommunications industry standards, the conduct of research on matters affecting telecommunications regulations, and the management of technical regulatory arrangements.

Industry monitoring and NBN

This includes monitoring and reporting on the service performance and compliance of telecommunications organisations with regulatory obligations (for example, against telecommunications standards and codes and NBN network implementation), monitoring consumer safeguards that establish minimum performance standards, and monitoring the implementation of appropriate NBN standards and codes.

Compliance and enforcement

This involves handling complaints from the telecommunications industry and consumers, compliance monitoring of devices subject to labelling arrangements and telecommunications cabling, human exposure to electromagnetic energy and electromagnetic compatibility compliance, compliance with consumer protection codes, undertaking audit programs, issuing warning notices, and related enforcement actions.

Licensing and allocation

This includes planning, development and management in relation to telecommunications licences, and the planning, development, allocation and maintenance of telecommunications numbers. However, the issuing of licences and allocating of certain numbers such as geographic, free-phone, local and premium numbers are not included as these services are delivered on a fee-for-service basis.

Other outputs

All other outputs in relation to the ACMA’s telecommunications functions and powers are considered in this category including dealing with the telecommunications industry on national interest issues (for example, the management of a mutual recognition agreement).

Further details about the ACMA’s telecommunications activities can be obtained from the ACMA’s annual report.[[12]](#footnote-12)

### 3.1.2 Costs of the activity

The determination of the ACMA’s costs to be recovered under the ACLC is subject to a rigorous process using an activity based costing (ABC) model. There has been no change in the methodology used to determine the costs from the previous financial year. Both direct and support (indirect) costs incurred by the ACMA in exercising its telecommunications functions and powers are captured by the model. Time is used as a primary means of allocating direct costs to activities while support costs are allocated using an appropriate cost driver (further detail on cost drivers is provided later in this section).

The ACMA’s ABC model is reviewed annually by an external independent auditor for quality assurance purposes. The audit for this financial year’s ACLC (the costs incurred in 2013–14) was undertaken by Oakton. The audit of the model specifically confirmed:

* the ABC model has been set up in accordance with the accepted principles of activity based costing, which fairly and equitably reflects the costs of relevant activities for 2013–14
* the methodology used to determine the ACMA’s costs during 2013–14 for inclusion in the ACLC is in accordance with the Act

the activity costs produced by the ABC model for 2013–14 are based on the cost of services as per the ACMA’s 2013 audited financial statements.

In order to ensure that the allocation base for the ABC model remains accurate, the ACMA conducts agency-wide surveys twice a year. Table 3 below provides details for the direct costs and support costs of the ACMA’s component at an output level:

1. The ACMA’s component at output level, 2014–15

| **Output** | **Direct cost** | **Support cost** | **Total cost** |
| --- | --- | --- | --- |
| Regulation development  | $4,211,281 | $3,784,121 | $7,995,403 |
| Industry monitoring and NBN | $4,076,542 | $3,462,908 | $7,539,450 |
| Compliance and enforcement | $642,645 | $596,749 | $1,239,394 |
| Licensing and allocation | $1,189,815 | $1,461,146 | $2,601,903 |
| Other outputs | $92,511 | $136,326 | $277,896 |
| **Total costs** | **$10,212,794** | **$9,441,251** | **$19,654,046** |

Direct costs are the costs directly incurred by the relevant operational areas.[[13]](#footnote-13) These costs are attributed to their activities on the basis of information provided via the agency-wide survey which reflects the consumption of resources relevant to telecommunications functions and powers. Direct costs include direct staff salaries, and other expenses (for example, contractors, consultants, suppliers, office consumables, travel) in relation to the operational areas in carrying out telecommunications activities.

The support costs are the costs incurred by the ACMA’s support services such as information technology (IT), finance, human resources, facilities, legal and other corporate services. These costs are allocated to activities using a number of cost drivers which include average staffing levels, the number of desks, the value of assets and an estimation of consumption of resources to reflect the appropriate support costs. The costs include all support staff salaries and other expenses (for example, contractors, consultants, suppliers, depreciation, occupancy) in relation to corporate support services.

The ACMA’s cost component has increased marginally by two per cent from the previous financial year (see Table 4). This is mainly due to the review and revision of the Telecommunications Labelling Notice, updates to carrier licence application forms and website. In addition, the ACMA reviewed its suite of online materials designed to help industry and consumers with the transition to the NBN. The content was modified to reflect the government’s revised NBN policy setting and to provide more information about existing regulatory obligations.

1. The ACMA’s cost component

| **Costs** | **2014–15****Based on 2013–14 costs** | **2013–14****Based on 2012–13 costs** | **% change\*** |
| --- | --- | --- | --- |
| Employees | $12,867,869 | $12,520,830 | 2.8% |
| Suppliers | $3,173,836 | $3,522,501 | (9.9%) |
| **Total costs** | **$16,041,705** | **$16,043,330** | 0.0% |
| Overheads | $3,612,341 | $3,166,535 | 14.1% |
| **Total ACMA costs** | **$19,654,046** | **$19,209,865** | 2.3% |

*\*increase/(decrease)*

The ACLC does not include the costs associated with the telecommunications services listed in Attachment B, as they are either budget-funded or delivered on a fee-for-service basis.

## 3.2 Determination of cost component under paragraph 15(1)(b) of the Act—the ACCC’s activity

### 3.2.1 Outputs and business processes of the activity

This component represents the ACCC’s costs incurred during 2013–14 in exercising its telecommunications functions and powers.

Part XIC of the Act contains the framework for economic regulation of the communications industry. The ACCC is responsible for:

* conducting inquiries into which communications services should be regulated
* conducting inquiries into the making of access determinations for regulated services which will contain price (or a method of ascertaining price) and non-price terms and conditions of access
* making binding rules of conduct (if needed) to address specific competition issues
* investigating allegations of access providers failing to comply with the standard access obligations and/or non-discrimination obligations in the Act

assessing special access undertakings (SAUs), which if accepted by the ACCC, will provide terms and conditions for access to regulated services.

Part XIB of the Act enables a quick response to instances of anti-competitive conduct in the communications industry, and allows the ACCC to impose specific information gathering obligations on industry participants to assist with the ACCC’s administration and enforcement of the Act. The ACCC’s responsibilities under Part XIB include:

* investigating allegations of anti-competitive conduct
* considering exemption applications for anti-competitive conduct
* reporting as part of the Group’s mandatory and discretionary reporting requirements

industry monitoring, including the ‘Regulatory Accounting Framework’, enhanced accounting separation reporting, retail tariff filings, and bundling of residential services.

The ACCC also has responsibilities under the *Telecommunications Act 1997* in relation to facilities access and structural reform. This includes monitoring Telstra’s compliance with its structural separation undertaking (SSU) and plan for migrating services to the NBN. As well as the ACCC’s specific statutory obligations, it also has resources dedicated to:

* market and competition analysis and investigations (especially under Part IV) in relation to content, media and application services delivered over communications networks
* providing technical engineering advice
* advising other areas of the ACCC on implications of convergent technologies in the context of mergers, adjudication and enforcement activities
* formulating briefing material and submissions to major government reviews, such as inquiries regarding the NBN, Senate estimates and other public inquiries

drafting speeches and public presentations for commissioners and senior managers.

The key communications outputs include:

* monitoring the NBN Co’s compliance with, and performing other functions under, NBN Co’s SAU (given by NBN Co and accepted by the ACCC in late 2013) which sets out price and non-price terms of access to the NBN
* continuing to monitor Telstra’s compliance with the SSU (given by Telstra to the ACCC in 2012) and investigating potential breaches of the SSU by Telstra
* assessing a revised Migration Plan which will be submitted by Telstra which sets out the steps Telstra will take to migrate services off its networks and on to the multi-technology model NBN
* consulting on the SAU annual revenue determination (Long Term Revenue Constraint Methodology determination)[[14]](#footnote-14)
* publicly consulting on making an access determination setting out the access terms and conditions for fixed line services, the domestic transmission capacity service and the mobile terminating access service
* liaising with NBN Co and others on consumer education and potential consumer issues in relation to the NBN
* piloting and consulting on the potential implementation of a program for the testing of broadband services in Australia and reporting on their performance

providing advice to other areas on matters such as mergers or the telecommunications related authorisation applications.

### 3.2.2 Costs of the activity

Direct costs are the costs incurred directly by the ACCC’s Communications function. These costs include staff salaries and other expenses (for example, contractors, consultants, suppliers, travel and office consumables) in relation to the Communications function carrying out their activities.

Indirect costs are the costs incurred by the ACCC’s support services such as information technology, human resources, legal and other corporate services. These costs are allocated using three cost drivers: non-legal expenditure, legal expenditure and full-time equivalents (FTE). The proportion of FTE is used to allocate overhead costs that are driven more by staffing than expenditure (for example, human resources, ICT support and property costs).

Costs related to the ACCC’s telecommunication regulation activities have been derived by apportioning the indirect (overhead) costs of the corporate areas and the Infrastructure Regulation Division to the direct costs of the Communications function for financial year 2013–14.

1. The ACCC’s cost component

| **Costs** | **2014–15****Based on 2013–14 costs** | **2013–14****Based on 2012–13 costs** | **% change\*** |
| --- | --- | --- | --- |
| Employees | $10,615,246 | $8,124,604 | 30.66% |
| Consultancy and travel | $219,177 | $177,831 | 23.25% |
| Overheads  | $4,140,253 | $6,702,202 | (38.23%) |
| **Total costs** | **$14,974,676** | **$15,004,637** | (0.20%) |

*\*increase/(decrease)*

The ACCC’s component for 2014–15 has been calculated at $14,974,676. This represents a $29,961 decrease from the prior year. Costs are also forecast to remain steady in the forward years, reflecting the ACCC’s focus on containing costs.

The ACCC’s support costs are the costs incurred by the ACCC’s corporate divisions including finance, human resources, legal, property, IT, and regulatory. These costs include staff salaries and other expenses in relation to the ACCC’s corporate activities. Support costs are allocated based on specific cost drivers as shown in Table 6 below.

1. Allocation of ACCC’s support costs

| **Category** | **Allocation method** |
| --- | --- |
| Executive | Allocated based on the direct costs of communications group as a percentage of the total ACCC’s costs (excluding legal related costs). |
| Corporate management |
| Corporate services |
| Finance |
| Strategic communications |
| Information and technology | Allocated based on a percentage of FTE. |
| Human resources |
| Property |
| Asset usage |
| Legal | Allocated based on a percentage of legal-related expenditure. |

## 3.3 Determination of cost component under paragraph 15(1)(c) of the Act—the ITU activity

### 3.3.1 Outputs and business processes of the activity

This cost component relates to the Commonwealth’s annual contribution to the budget of the ITU associated with telecommunications for the calendar year 2014. The amount prescribed in the determination is calculated by the DoC.

The ITU is the specialised United Nations agency responsible for international cooperation in the use of telecommunications and the radiofrequency spectrum. It establishes treaty agreements and recommends world standards for telecommunications and radiocommunications (including satellite) services. Membership of the ITU includes 193 governments and approximately 700 non-government entities. The DoC manages Australia's membership and participation in the ITU. Australian organisations, both government and private, participate in many of the specialist ITU meetings including study groups, which develop recommendations for international adoption, and keep relevant treaties under review.

The ITU’s work is carried out by three sectors—the Telecommunication Standardisation Sector (ITU-T), the Radiocommunication Sector (ITU-R) and the Development Sector (ITU-D). The ITU-T sector develops high quality, voluntary standards called ITU-T Recommendations that cover all fields of telecommunications. The ITU-R sector has an important role in managing the finite natural resources of radio-frequency spectrum and satellite orbits. The mission of the ITU-D sector is to assist developing countries in the field of information and communication technologies (ICTs), including promoting access to ICTs and actions that narrow the digital divide.

Outputs of the ITU include international publications, initiatives, projects, events, conferences, fora, meetings and workshops. The ITU’s International Telecommunication Regulations (ITR’s) is a global treaty that facilitates the interconnection of international telecommunication services. The DoC leads Australia’s engagement, which was guided by a set of principles, including, among other things, that the ITRs:

* establish environmental settings for the interconnection and interoperability of telecommunications networks
* are consistent with the ITU’s Constitution and Convention, and the purpose of the ITRs
* are flexible, technology neutral and avoid technical issues that are more appropriately addressed through other mechanisms

do not compromise the efficient operation of telecommunication services, or result in unforseen negative consequences for business, consumers or the future development of international telecommunications.

### 3.3.2 Costs of the activity

The Commonwealth contributions to the ITU, amounting to 4,725,000 Swiss Francs, are made by the DoC each year as appropriated in the budget process, covering both the telecommunication and radiocommunication sectors. The same level of contribution is expected to be made each year. However, the equivalent amount in Australian dollars can vary, depending on the exchange rate at the time of payment. For the 2014 calendar year, it was AUD 5,900,559.91.

The ITU has provided the actual output costs in Swiss Francs by communication sector for the years 2013 and 2014 as disclosed in the Table 7 below. The output costs were ascertained from ITU’s activity based costing model. In order to separate the costs in AUD that are relevant to the telecommunications sector, the DoC has applied the ratio established for the split between each sector in Swiss Francs for 2014.

Table 7 provides the comparison of ITU contributions for the calendar years 2013 and 2014.

1. ITU component

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Telecommunication sector** | **Radiocommunication sector** | **Total** |
|  | **AUD** | **AUD** | **AUD** |
| 2014 | 1,860,447 | 4,040,113 | 5,900,560 |
| 2013 | 1,601,578 | 3,436,414 | 5,037,992 |
| Increase | 16.16% | 17.57% | 17.12% |
| Ratio 2014 | 31.53% | 68.47% |   |
| Ratio 2013 | 31.79% | 68.21% |   |
|  | **SWISS FRANCS** | **SWISS FRANCS** | **SWISS FRANCS** |
| 2014 | 1,489,793 | 3,235,207 | 4,725,000 |
| 2013 | 1,502,078 | 3,222,922 | 4,725,000 |
| Increase/(decrease)\* | (0.82%) | 0.38% |   |
| Ratio 2014 | 31.53% | 68.47% |   |
| Ratio 2013 | 31.79% | 68.21% |   |

*\*increase/(decrease)*

Although the expense for the telecommunications sector has decreased by 0.8 per cent in Swiss Francs, the Australian Dollar amount has increased by 16.2 per cent from the previous year due to the exchange rate at the time of payment.

## 3.4 Determination of cost component under paragraph 15(1)(ca) of the Act—Development of consumer protection codes

### 3.4.1 Outputs and business processes of the activity

This component represents the sum of the amounts paid under section 136C of the *Telecommunications Act 1997* for the immediately preceding financial year (that is, the 2013–14 financial year). Section 136C of the *Telecommunications Act 1997* allows the ACMA, in certain circumstances, to make payments on behalf of the Commonwealth for the development of industry codes by a telecommunications industry body or association (the output of this activity), which are subsequently submitted to the ACMA to seek eligibility for a cost claim in relation to code development and, within two years, provide a detailed claim in relation the code development costs. The expenses for the development of consumer protection codes are verified by an independent auditor on behalf of the industry body and assessed by the ACMA prior to any payments being made.

The Communications Alliance Limited is an industry body that represents the telecommunications industry and develops codes as required. The codes Communications Alliance develops for the purpose of reimbursement must deal with one or more matters relating to the relationship between carriage service providers and their retail customers. The industry codes are a key component of the self-regulatory approach to regulation in the telecommunications sector and provide consumer protection in an efficient manner with a low regulatory burden on the industry.

### 3.4.2 Costs of the activity

No payment was made for the 2013–14 financial year, as no consumer protection codes were required to be developed during the financial year. The funding for this activity is provided through a special budget appropriation, which does not exceed $300,000 per annum.

## 3.5 Determination of cost component under paragraph 15(1)(d) of the Act—Government grant for consumer representation program

### 3.5.1 Outputs and business processes of the activity

Section 593 of the *Telecommunications Act 1997* provides the minister, on behalf of the Commonwealth, the power to ‘make a grant of financial assistance to a consumer body for purposes in connection with the representation of the interests of consumers in relation to telecommunications issues’. This grant relates to the 2014–15 financial year.

Since 2009–10, this grant has been provided to ACCAN as the peak body representing consumers of telecommunications services. ACCAN is provided with around two million dollars per annum as part of a second multi-year Funding Agreement until 2017. Milestone payments under this agreement are made directly by the DoC as the Commonwealth delegate.

ACCAN represents consumer interests in telecommunications, disseminates information to consumers through the internet and publications, engages and trains volunteer consumer advocates, coordinates responses to government initiated processes, and conducts conferences and workshops. For example, ACCAN has been integral to a number of industry deregulation proposals including the removal of Retail Price Controls and further proposals for the 2015–16 deregulation forward work plan. This work directly impacts on the efficiency of the telecommunications industry and has realised considerable industry savings.

ACCAN conducts representation, research, consumer education and participation in self-regulatory activities. ACCAN also operates a competitive Independent Grants Scheme, which allows individuals and organisations to undertake research or representation projects in the interest of the telecommunications consumer. Further information can be obtained from ACCAN’s website at [www.accan.org.au](http://www.accan.org.au).

### 3.5.2 Costs of the activity

The DoC estimates that for the 2014–15 financial year, the total amount of grants likely to be made under section 593 of the *Telecommunications Act 1997* will be $2.164 million as set out in Table 8 below.

1. Consumer representation grant program

| **Activity** | **Cost ($m)** |
| --- | --- |
| Employee | 1.723 |
| Administration expenses | 0.121 |
| Independent Grants Program Research Projects | 0.250 |
| Committee expenses, travel, accommodation | 0.070 |
| **Total** | **2.164** |

These cost estimates were provided by ACCAN as part of the Funding Agreement. These amounts have been independently verified.

## 3.6 Design of cost recovery charges

The ACLC is imposed as a levy, which is considered appropriate as it encompasses a number of regulatory and other activities that may not be easily or cost effectively attributed to individual licensed carriers and hence translated into direct fees, but can be attributed to the telecommunications industry as a group.

Establishment of individual levy amounts

For the purpose of ascertaining the levy for liable individual licensed carriers, their ‘eligible revenue’, as assessed by the ACMA, is used as a basis for allocating the total ACLC. There has been no change in the method for the calculation of individual charges from Determination of the ACLC made by the ACMA in the previous year.

In accordance with the Direction 2013, non-participating persons (that is, the smaller carriers) are, in effect exempted from the liability to pay the ACLC. This, in effect, removes unnecessary red tape in telecommunications regulation. While the total ACLC includes costs that may be incurred by the ACMA in regulating non-participating persons, the ACMA estimates that the financial impact of exempting non-participating persons from the liability to pay the ACLC is insignificant.

The ACMA collects financial information from the telecommunications industry annually in the form of a written eligible revenue return to assess the eligible revenue of each participating person (as defined in section 92 of the TUSMA Act) in accordance with subsection 96(1) of the TUSMA Act. The applicable eligible revenue amounts for the purposes of calculating the ACLC for 2014–15 relate to the preceding financial year (2013–14).

The following formula is used for allocating the total charge to liable individual carriers:

$$\left(MCA-OTC\right)×\frac{ER}{TER}$$

Where:

* MCA is the maximum charge amount
* OTC is the other telecommunications charges[[15]](#footnote-15)
* ER is the individual carrier’s eligible revenue

TER is the total eligible revenue.

The ‘ER/TER’ determines the individual proportion of the carrier’s assessed eligible revenue relative to the total assessed eligible revenue for those carriers who are liable to pay the ACLC. In summary, the formula allocates the total ACLC to the individual carriers, in the same proportion as their assessed eligible revenue relates to the total assessed eligible revenue.

The summary of all components identified in paragraphs 15(1)(a) to 15(1)(d) of the Act (that is, sections 3.1.2, 3.2.2, 3.3.2, 3.4.2 and 3.5.2 in this CRIS) is provided in Table 9.

1. ACLC summary by cost component

| **Reference in the Act** | **Cost component** | **2014–15 ACLC****Actual** |
| --- | --- | --- |
| 15(1)(a) | ACMA’s cost component | $19,654,046 |
| 15(1)(b) | ACCC’s cost component | $14,974,676 |
| 15(1)(c) | ITU contribution | $1,860,447 |
| 15(1)(ca) | Development of consumer protection related industry codes  | $0 |
| 15(1)(d) | Government Grants—Consumer Representation and Research | $2,164,000 |
| **Total** | **$38,653,169** |

The ACLC amounts payable by carrier licensees for the period 1 July 2014 to 30 June 2015 are set out in Attachment A with relevant calculations.

# 4. Risk assessment

The ACMA has carried out a risk assessment for each component of the 2014-15 ACLC resulting in an overall rating of medium risk with the following individual rating for each cost component.

1. Risk rating for ACLC components

| **Reference in the Act** | **Cost component** | **Risk rating** |
| --- | --- | --- |
| 15(1)(a) | ACMA’s cost component | Medium |
| 15(1)(b) | ACCC’s cost component | Medium |
| 15(1)(c) | ITU contribution | Medium |
| 15(1)(ca) | Development of consumer protection related industry codes  | Medium |
| 15(1)(d) | Government Grants—Consumer Representation and Research | Medium |
| **Overall rating** | **Medium** |

The overall risk rating of medium was derived mainly due to the amount involved in this cost recovery arrangement, which exceeded $10 million and no consultation occurred with stakeholders for the 2014–15 ACLC. However, there are no complexities associated with this charging regime as there are no changes to the existing cost recovery arrangement from the previous year. The ACLC is being charged as a levy and does not require any legislation to be passed by the Parliament nor does it involve working with state, territory or local government entities. Although the amount of the total levy is over $38 million, the change from the previous year is considered insignificant (that is, less than one per cent increase).

# 5. Stakeholder engagement

On application for a carrier licence, carriers are advised that an instrument made under subsection 14(1) of the Act specifies the amount of annual charge imposed on persons who hold a carrier licence that was in force on the first day of the relevant financial year. The ACMA is required to make the Telecommunications (Annual Carrier Licence Charge) Determination 2015 and the Telecommunications (Specification of Costs by ACMA) Determination 2015 for the purposes of the ACLC.

For the Telecommunications (Specification of Costs by ACMA) Determination 2015, the ACMA considered that consultation was unnecessary on the basis that the Determination is minor or machinery in nature and does not substantially alter existing arrangements.

For the Telecommunications (Annual Carrier Licence Charge) Determination 2015, the ACMA considered that consultation was unnecessary on the basis that the Determination does not substantially alter existing arrangements. The Determination imposes an ACLC of $0 on certain carrier licences in accordance with the Direction 2013 with which the ACMA must comply. The Determination also sets out a method for ascertaining the amount of ACLC imposed on other carrier licences, which is substantially the same as the method set out in the Telecommunications (Annual Carrier Licence Charge) Determination 2012 (that applied to carrier licences in force at the beginning of the 2011–12 financial year) and the Telecommunications (Annual Carrier Licence Charge) Determination 2013 (that applied to carrier licences in force at the beginning of the 2012–13 financial year). The method was the subject of consultation as part of a review of the ACMA’s cost recovery arrangements undertaken in late 2011.

The ACMA regularly consults with stakeholders in relation to telecommunications regulatory matters such as on deregulation initiatives, administration of existing legislative and regulatory arrangements, the introduction of mobile phone call charges to 1800 and 13–1300 numbers, numbering reform activities and the development of solutions to emerging telecommunications issues.

# 6. Financial estimates

Financial estimates for each component of the ACLC for the financial year 2014–15 and three forward years are provided in Table 11 below.

1. Financial estimates by activity

| **Ref. in the Act** | **Activity** | **2014–15 Budget** | **2014–15 revised Budget** | **2015–16 Budget** | **2016–17 Budget** | **2017–18 Budget** |
| --- | --- | --- | --- | --- | --- | --- |
| **($million)** | **($million)** | **($million)** | **($million)** | **($million)** |
| 15(1)(a) | ACMA expenses | 19.654 | 19.654 | 19.654 | 19.654 | 19.654 |
| 15(1)(b) | ACCC expenses  | 14.953 | 14.953 | 14.953 | 14.953 | 14.953 |
| 15(1)(c) | ITU contribution | 1.730 | 1.730 | 1.600 | 1.600 | 1.600 |
| 15(1)(ca) | Development of consumer protection related industry codes | 0.300 | 0.000 | 0.300 | 0.300 | 0.300 |
| 15(1)(d) | Government Grants—Consumer Representation and Research | 2.212 | 2.164 | 2.163 | 2.165 | 2.210 |
| **Total expenses** | **38.849** | **38.501** | **38.670** | **38.672** | **36.717** |
| 15(1)(a) | ACMA revenue | 19.654 | 19.654 | 19.654 | 19.654 | 19.654 |
| 15(1)(b) | ACCC revenue | 14.975 | 14.975 | 14.953 | 14.953 | 14.953 |
| 15(1)(c) | ITU contribution | 1.600 | 1.860 | 1.600 | 1.600 | 1.600 |
| 15(1)(ca) | Development of consumer protection related industry codes | 0.300 | 0.00 | 0.300 | 0.300 | 0.300 |
| 15(1)(d) | Government Grants—Consumer Representation and Research | 2.212 | 2.164 | 2.163 | 2.165 | 2.210 |
| **Total revenue** | **38.741** | **38.653** | **38.670** | **38.672** | **36.717** |
| **Balance** | **(0.108)** | **(0.152)** | **0.000** | **0.000** | **0.000** |
| **Cumulative balance** | **0.920** | **0.876** | **0.876** | **0.876** | **0.876** |

The forward estimates have been revised by factoring in the agreed indexation pause in accordance with the *Administered Programme Indexation Pause*, as noted in the Portfolio Additional Estimates Statements for 2014–15.As part of the Mid-year Economic and Fiscal Outlook for 2014–15, the grant for consumer representation and research has been reduced by $2,000 from the previous year.

The ACMA and other participating organisations have not budgeted for any additional activities that relate to telecommunications functions and powers for the forward financial years. Given that the running costs of the ACMA and the ACCC continue to remain steady, the level of expenditure that is to be recovered under the ACLC for the forward financial years is also not expected to change significantly.

The revenues have been calculated in accordance with the Act. The Act requires the components under paragraph 15(1)(a), 15(1)(b) and 15(1)(ca) of the Act to be calculated on the costs that are incurred in the financial year immediately preceding the financial year for which the charges are imposed. The cost component under paragraph 15(1)(c), however, relates to the calendar year in which the beginning of the financial year for imposing the ACLC occurs. Accordingly, this creates a lag in recognising the revenue, which has resulted in a surplus or deficit balance (that is, a timing difference) for each financial year. The lag occurs when there is an increase or decrease in the expenses for the ACMA, ACCC and ITU.

# 7A. Financial performance

Historical actual financial results for ACLC for 2013–14 and previous financial years are in Table 12.

1. Historical ACLC expenses and revenue

| **Ref. in the Act** | **Activity** | **2013–14** | **2012–13** | **2011–12** | **2010–11** | **2009–10** |
| --- | --- | --- | --- | --- | --- | --- |
| **($million)** | **($million)** | **($million)** | **($million)** | **($million)** |
| 15(1)(a) | ACMA expenses | 19.654 | 19.210 | 21.053 | 21.519 | 21.839 |
| 15(1)(b) | ACCC expenses | 14.975 | 15.005 | 13.815 | 12.947 | 12.223 |
| 15(1)(c) | ITU contribution | 1.731 | 1.641 | 1.596 | 1.558 | 1.763 |
| 15(1)(ca) | Development of consumer protection related industry codes | 0.0 | 0.321 | 0.210 | 0.0 | 0.0 |
| 15(1)(d) | Government Grants—Consumer Representation and Research | 2.166 | 2.127 | 2.077 | 2.032 | 2.000 |
| **Total expenses** | **38.526** | **38.304** | **38.751** | **38.056** | **37.825** |
| 15(1)(a) | ACMA revenue | 19.210 | 21.053 | 21.519 | 21.839 | 23.607 |
| 15(1)(b) | ACCC revenue | 15.005 | 13.815 | 12.947 | 12.223 | 11.767 |
| 15(1)(c) | ITU contribution | 1.601 | 1.680 | 1.511 | 1.604 | 1.922 |
| 15(1)(ca) | Development of consumer protection related industry codes | 0.321 | 0.210 | 0.0 | 0.0 | 0.252 |
| 15(1)(d) | Government Grants—Consumer Representation and Research | 2.166 | 2.127 | 2.077 | 2.032 | 2.000 |
| **Total revenue** | **38.303** | **38.885** | **38.054** | **37.698** | **39.548** |
| **Balance** | **(0.223** | **0.581** | **(0.697)** | **(0.357)** | **1.723** |
| **Cumulative balance** | **1.028** | **1.251** | **0.669** | **1.366** | **1.723** |

Note: the revenues for 15(1)(a), 15(1)(b) and 15(1)(ca) are based on the previous year’s expenditure. The revenue for 15(1)(c) is derived by averaging the expenditure for the year in which the charges are made and the previous year. The revenue for 15(1)(d) is based on the same year’s expenditure. Further details can be obtained from section 6.

As the ACLC is set on an annual basis, the actual costs of activities are ascertained before they translate into the charges for the applicable period. This reduces the risk of over or under recovery from the telecommunications industry. The balance reflects the surplus or deficit which occurred due to the lag between the actual expenses incurred and the recognition of the corresponding revenue as noted in section 6 above.

The ACMA continued to contain costs, while providing improved services to the telecommunications industry and stakeholders. For example, the ACMA’s continued focus on improving industry compliance with the Telecommunications Consumer Protection Code 2012 was rewarded with a continued reduction in complaints in the telecommunications industry. Further information can be obtained from the ACMA’s 2013–14 annual report.[[16]](#footnote-16) In 2012–13, the ACMA’s costs decreased by 8.8 per cent from the previous financial year. This was due to the streamlining of activities during a restructure within the ACMA, following the transfer of telecommunications functions in relation to universal service obligations and national relay services to the TUSMA, and the reduction in budget for the ACMA’s telecommunications activities.

The increase in the ACCC’s costs from 2009–10 to 2011–12 was a result of additional staff costs incurred due to new activities in relation to the ACCC’s telecommunications functions and powers. In 2012–13, its component increased by 8.6 per cent, from the introduction of a new costing model recognising the consumption of overhead resources and accrual expenses relating to employees and depreciation.

# 7B. Non-financial performance

The ACMA and other participating organisations are currently developing relevant non-financial performance measures for the 2015–16 financial year to form part of the corporate plans as required under the *Public Governance, Performance and Accountability Act 2013*. These measures will be established before the end of August 2015. The CRIS will be updated with the relevant measures in September 2015 as disclosed in Table 13.

# 8. Key forward dates and events

Reflecting the annual nature of the ACLC, the CRIS is also updated on an annual basis. The key forward events and dates for the ACLC process for the 2014–15 financial year are provided in Table 13 below.

1. Key forward dates and events

| **Key events** | **Organisation** | **Date** |
| --- | --- | --- |
| Update of financial estimates (section 6) | ACMA and participating organisations | July 2015 |
| Disclose non-financial performance measure (section 7B) | ACMA and participating organisations | September 2015 |
| Update of financial performance (section 7A) | ACMA and participating organisations | March 2016 |

# 9. CRIS approval and change register

**Change register**

| **Date** | **Description** | **Approved by** | **Comments** |
| --- | --- | --- | --- |
| 29 May 2015 | Certification of the CRIS | ACMA CEO |  |
| 24 June 2015 | Approval of the CRIS | The Minister for Communications |  |

# Glossary

ABC Activity Based Costing

ACCC Australian Competition and Consumer Commission

ACCAN Australian Communications Consumer Action Network

ACLC Annual Carrier Licence Charge

ACMA Australian Communications and Media Authority

ACMA Act *Australian Communications and Media Authority Act 2005*

CRIS Cost Recovery Implementation Statement

DBCDE Department of Broadband, Communications and the Digital Economy

Direction 2013 Australian Communications and Media Authority (Annual Carrier Licence Charge) Direction 2013

DoC Department of Communications

ER eligible revenue

FTE Full Time Equivalent

Guidelines Australian Government Cost Recovery Guidelines July 2014

IT Information Technology

ITU International Telecommunication Union

MCA maximum charge amount

NBN National Broadband Network

OTC other telecommunications charges

SAU special access undertaking

SSU structural separation undertaking

TER total eligible revenue

the Act *Telecommunications (Carrier Licence Charges) Act 1997*

TUSMA Act *Telecommunications Universal Service Management Agency Act 2012*

# Attachment A

## ACLC for 2014–15

| **No.** | **Carrier licence in force at 1 July 2014** | **ER/TER %** | **ACLC ($)** |
| --- | --- | --- | --- |
| 1 | A.C.N 088 889 230 Ltd | 0.0370861762% | $14,335 |
| 2 | AAPT Ltd | 0.7078454734% | $273,605 |
| 3 | AARNet Pty Ltd | 0.1566367087% | $60,545 |
| 4 | Adam Internet Pty Ltd | 0.1270295801% | $49,101 |
| 5 | Agile Pty Ltd | 0.4215368756% | $162,937 |
| 6 | Allegro Networks Pty Ltd | 0.0131569028% | $5,086 |
| 7 | Amcom Pty Ltd | 0.2770683722% | $107,096 |
| 8 | BigAir Cloud Managed Services Pty Ltd (formerly Anittel Communications Pty Ltd) | 0.0105127135% | $4,063 |
| 9 | BigAir Group Ltd | 0.0872310432% | $33,718 |
| 10 | Chime Communications Pty Ltd  | 0.8352387398% | $322,846 |
| 11 | Intelligent IP Communications Pty Ltd | 0.0129135952% | $4,992 |
| 12 | iPSTAR Australia Pty Ltd | 0.1442980605% | $55,776 |
| 13 | Macquarie Telecom Pty Ltd | 0.2877210161% | $111,213 |
| 14 | New Skies Satellites Australia Pty Ltd | 0.0947984371% | $36,643 |
| 15 | Nextgen Networks Pty Ltd | 0.6149729011% | $237,707 |
| 16 | Nextgen Telecom (WA) Pty Ltd | 0.0000336751% | $13 |
| 17 | Nextgen Telecom Pty Ltd | 0.0019951132% | $771 |
| 18 | Optus Mobile Pty Ltd | 14.1505755515% | $5,469,646 |
| 19 | Optus Networks Pty Ltd | 5.9186537515% | $2,287,747 |
| 20 | Pipe International (Australia) Pty Ltd | 0.0592619188% | $22,907 |
| 21 | Pipe Networks Pty Ltd | 0.2929089565% | $113,219 |
| 22 | Primus Telecommunications Pty Ltd | 0.7250663642% | $280,261 |
| 23 | Soul Pattinson Telecommunications Pty Ltd | 1.0847494579% | $419,290 |
| 24 | Telstra Corporation Ltd | 64.4117507196% | $24,897,183 |
| 25 | Telstra Multimedia Pty Ltd | 1.2435821883% | $480,684 |
| 26 | Transact Capital Communications Pty Ltd | 0.1719776529% | $66,475 |
| 27 | Uecomm Pty Ltd | 0.4292893579% | $165,934 |
| 28 | Verizon Australia Pty Ltd | 0.1318629257% | $50,969 |
| 29 | Victorian Rail Track | 0.1036432247% | $40,061 |
| 30 | Vividwireless Pty Ltd | 0.1108299632% | $42,839 |
| 31 | Vodafone Australia Pty Ltd | 6.9138036593% | $2,672,404 |
| 32 | Vodafone Hutchinson Australia Pty Ltd | 0.3824081803% | $147,813 |
| 33 | XYZed Pty Ltd | 0.0395607439% | $15,291 |
| **Total** | **38,653,169** |

# Attachment B

## Telecommunications activities not included in the ACLC

Smartnumbers auction activities

The costs associated with numbers auctioned under the smartnumbers auction system are not recovered from industry on the basis that costs would be offset by auction proceeds, except for an application charge to register for the auction which is cost recovered on a fee basis.

Spam and e-security activities

These activities include anti-spam activities carried out in accordance with the *Spam Act 2003* and e-security activities. The costs associated with these activities are considered not appropriate to recover from the telecommunications carriers as the direct beneficiaries are the members of the public.

Do Not Call Register and telemarketing related activities

In accordance with subsection 15(4) of the *Telecommunications (Carrier Licence Charge) Act 1997*, the activities conducted under the *Do Not Call Register Act 2006* and the *Telecommunications Act 1997* to the extent that they relate to telemarketing do not form part of the ACMA’s telecommunications functions and powers.

Public information activities

These activities include the production of information for the general public on consumer awareness. The costs of these activities are considered to be more appropriately met through budget funding.

Other telecommunications activities

The following activities are delivered on a fee-for-service basis:

* carrier licence applications
* nominated carrier declaration licence applications
* numbering applications
* smartnumber registrations
* submarine cable installation permit applications
	+ connection permit applications.
1. More information can be obtained from: [www.acma.gov.au/Industry/Telco/Carriers-and-service-providers/Licence-fees-annual-levies-and-charges/eligible-revenue-portal-current-year](http://www.acma.gov.au/Industry/Telco/Carriers-and-service-providers/Licence-fees-annual-levies-and-charges/eligible-revenue-portal-current-year). [↑](#footnote-ref-1)
2. [www.austlii.edu.au/au/legis/cth/bill\_em/tlcb1996387/memo1.html](http://www.austlii.edu.au/au/legis/cth/bill_em/tlcb1996387/memo1.html) [↑](#footnote-ref-2)
3. [www.comlaw.gov.au/Details/C2005B00150/Explanatory%20Memorandum/Text](http://www.comlaw.gov.au/Details/C2005B00150/Explanatory%20Memorandum/Text) [↑](#footnote-ref-3)
4. [www.budget.gov.au/2009-10/content/bp2/html/bp2\_expense-07.htm](http://www.budget.gov.au/2009-10/content/bp2/html/bp2_expense-07.htm) [↑](#footnote-ref-4)
5. [www.budget.gov.au/2009-10/content/myefo/html/appendix\_a\_07.htm](http://www.budget.gov.au/2009-10/content/myefo/html/appendix_a_07.htm) [↑](#footnote-ref-5)
6. [www.budget.gov.au/2010-11/content/bp2/html/bp2\_expense-04.htm](http://www.budget.gov.au/2010-11/content/bp2/html/bp2_expense-04.htm) [↑](#footnote-ref-6)
7. [www.budget.gov.au/2011-12/content/bp2/html/bp2\_expense-04.htm](http://www.budget.gov.au/2011-12/content/bp2/html/bp2_expense-04.htm) [↑](#footnote-ref-7)
8. [www.budget.gov.au/2013-14/content/bp2/html/bp2\_expense-23.htm](http://www.budget.gov.au/2013-14/content/bp2/html/bp2_expense-23.htm) [↑](#footnote-ref-8)
9. [www.budget.gov.au/2014-15/content/bp2/download/BP2\_consolidated.pdf](http://www.budget.gov.au/2014-15/content/bp2/download/BP2_consolidated.pdf) [↑](#footnote-ref-9)
10. Available at [www.comlaw.gov.au/Details/F2013L01300](http://www.comlaw.gov.au/Details/F2013L01300). The Direction 2013 is in similar terms to an earlier direction made in 2011 by the then Minister for Broadband, Communications and the Digital Economy (see the Australian Communications and Media Authority (Annual Carrier Licence Charge) Direction 2011), which required the ACMA to make determinations under subsection 14(1) of the Act that, in effect, exempted carriers who were ‘USO non-participating persons’ within the meaning of the *Telecommunications (Consumer Protection and Service Standards) Act 1999*, for the eligible revenue period immediately preceding the relevant financial year, from the liability to pay the ACLC. [↑](#footnote-ref-10)
11. The Direction 2013 defines relevant financial year as the financial year that begins on 1 July 2013 and each later financial year. [↑](#footnote-ref-11)
12. ACMA *Annual report 2013–14*, can be accessed from: [www.acma.gov.au/theACMA/Library/Corporate-library/Corporate-publications/annual-report](http://www.acma.gov.au/theACMA/Library/Corporate-library/Corporate-publications/annual-report). [↑](#footnote-ref-12)
13. Relates to Communications Infrastructure Division; Content, Consumer and Citizen Division; Digital Economy Division and Digital Transition Division. [↑](#footnote-ref-13)
14. This can be accessed from: [www.accc.gov.au/system/files/LTRCM%20-%202013-14%20-%20Draft%20Determination%20For%20publication.pdf](http://www.accc.gov.au/system/files/LTRCM%20-%202013-14%20-%20Draft%20Determination%20For%20publication.pdf). [↑](#footnote-ref-14)
15. This is the amount of the ACMA’s costs for the immediately preceding financial year that is attributable to the ACMA’s telecommunications functions and powers, but has been met from telecommunications charges other than the ACLC (see Attachment B). [↑](#footnote-ref-15)
16. ACMA’s *Annual report 2013–14* is available at [www.acma.gov.au/theACMA/annual-report](http://www.acma.gov.au/theACMA/annual-report). [↑](#footnote-ref-16)